A Proposed Synopsis

Corporate Social Responsibility Practices: A Comparative Analysis of State Bank of India and HDFC Bank

Submitted

For Doctor of Philosophy in Management

By

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ललित नारायण मिथिला विश्वविद्यालय

कामेश्वरनगर, दरभंगा

डॉक्टर ऑफ फिलासफी (पी-एच० डी०) उपाधि हेतु पंजीयन के लिये
प्रारम्भिक आवेदन-पत्र

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१.	नाम, पूर्ति अथवा पेशा घर का पता, वर्तमान पता - Name, home address and occupation along with present address.	PAYAL KUMARI, VILL: NAVTOLIA (R.S. TANK), P.O.: LAHERIASARAI, P.S: BAHADORPUR, DIST: DARBHANGA, BIHAR, 846001., RESEARCH SCHOLAR.
२.	शैक्षणिक योग्यता उपाधियों की प्राप्ति का वर्ष ? विश्वविद्यालय के नाम और परीक्षोत्तीर्णता का वर्ग के साथ उल्लेख-शिक्षण का अनुभव, यदि हो- Academic qualification, degrees obtained with class and year, name of the University and teaching exprience, if any.	MBA, Class IInd, 2017, MAGADH UNIVERSITY, BODH GAYA., NO
३.	विषय का नाम और विवरण सहित जिस पर शोध करना अभिप्रेत हो। (विषय की रूपरेखा भी अलग से दो प्रतियाँ संलग्न करनी चाहिए) A Statement of the problem on which prosposes to work (Two copies of synopsis also should be submitted separately).	"CORPORATE SOCIAL RESPONSIBILITY PRACTICES: A COMPARATIVE ANALYSIS OF STATE BANK OF INDIA and HDFC BANK.
४.	इसके पूर्व का शोध-कार्य यदि सम्पन्न हुआ हो Previous research work done, if any :-	NO
५.	इसके पहले क्या शोध-कार्य के लिए इस विश्वविद्यालय में आवेदन किया गया था ? यदि आवेदन किया गया था, तो उसका क्या परिणाम हुआ ? Whether ny application for Research-work was submitted previously to this University ? If so, with what result ?	NO
६.	यदि कोई प्रायोगिक कार्य भी करना हो, तो उस प्रयोगशाला का नाम और उस संस्था के विभागीय अध्यक्ष से उनके उपयोग की अनुमति का पत्र तथा तत्संबंधी प्रयोग के लिए उपस्करों आदि की पर्याप्तता-सूचक विवरणी - In case of any practical work to be done, the name of the laboratory and the consent of the Head of the Institution and a statement from the Head as to the sufficiency of the apparatus for the purpose.	NO

७. शोध निर्देशक का नाम-
उपाधिगत योग्यता, शिक्षण-अनुभव एवं निर्देशन की स्वीकृति (अनुमति सूचक पत्र संलग्न रहे)
Supervisor's name his qualification, teaching experience and his consent (Letter of consent to be supplied).

Prof. H.K. SINGH
Professor, 30 Years,
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८. ल०ना०मिथिला विश्वविद्यालय की पंजीयन संख्या, पंजीयन के वर्ष के साथ-
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९. प्रारंभिक पंजीयन शुल्क ३००) रू० जमा करने की तिथि
Date of depositing Rs. 300/- as preliminary Registration fee.

१०. आवेदक ल०ना०मिथिला विश्वविद्यालय के कॉलेज के प्राध्यापक हैं अथवा पूर्णतः नियुक्त शोध-छात्र ?
Whether he is a lecturer in a college/ Department under L. N. Mithila, University or a whole time research Scholar ?

RESEARCH SCHOLAR

११. अन्य ज्ञातव्य सूचनाएँ, यदि हो।
Any other relevent matter.

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आवेदन की तिथि
Date of submission

Rajkumari
आवेदक का हस्ताक्षर
Signature of applicant

आवश्यक निर्देश

(१) यह आवेदन-पत्र पूर्णरूप से भरकर संलग्नकों के साथ संबंधित विषय में स्नातकोत्तर विभाग के अध्यक्ष के द्वारा शोध के विषय की रूपरेखा स्वीकृत कराकर इस कार्यालय में भेंजें।

(२) आप अपने कार्यालय के अनुमति-पत्र के साथ इस आशय का पत्र भेंजें कि आप शोध-कार्य की अवधि में उसी स्थान पर रहेंगे जहाँ आपके निर्देशक आपको रहने के लिए निर्देशित करें।

(३) अगर आप इस (ल० ना० मिथिला) विश्वविद्यालय के पंजीकृत छात्र हैं तो पंजीयन संख्या सूचित करें; परन्तु यदि यहाँ के पंजीकृत छात्र आप नहीं है तो जिस विश्वविद्यालय में आपने अध्ययन किया था, वहाँ का प्रव्रजन प्रमाण-पत्र (मूल प्रति) और पंजीयन के लिए विहित आवेदन-प्रपत्र भरकर निर्धारित शुल्क के साथ भेजें।

(४) पी-एच० डी० के लिए प्रारंभिक पंजीयन शुल्क ३००) रूपये इस कार्यालय में जमा करें।

(५) अपनी मास्टर डिग्री की अभिप्रमाणित प्रतिलिपि भेजें।

(६) अपने शोध के विषय पर एक संक्षिप्त टिप्पणी (जो अधिक से अधिक पचास शब्दों की हो) तैयार कर निर्देशक द्वारा स्वीकृत कराकर भेजें। यह 'अन्तर विश्वविद्यालय बोर्ड ऑफ इण्डिया ऐंड सिलोन' को भेजा जायेगा।

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Corporate Social Responsibility Initiatives: A Comparative Analysis of State Bank of India and HDFC Bank

Introduction

The concept of Corporate Social Responsibility (CSR) goes beyond the realms of charity and requires the company to incorporate social, environmental and ethical concerns into company's business process.

Business has emerged as one of the most dominant institutions. Some of the major companies in the world are bigger in size than some of the developing countries of the world. Companies are escalating their operations and overcoming geographical limitations.

Indian companies have made their way into the business roar and are acknowledged worldwide as major players. India is currently amongst the fastest growing countries in the world. Integration of the Indian with the global world has resulted in Indian businesses opening up to international competition, thereby escalating their operations.

In the current scenario, business entities are not expected to play conventional role of mere profit making institutions. The companies have started to act in an economically, socially and environmentally sustainable way. The companies are facing pressure for transparency and accountability, by employees, customers, shareholders, media and all other stakeholders.

Companies do not operate in vacuum and there is an increased realization that companies can not only influence society at large, but they are also in a distinctive position to make an affirmative impact.

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A robust and flourishing development sector is essential to India's mission for fair, inclusive and sustainable development. India's development sector has evolved substantially over the last few decades and is now witnessing unparalleled interest and investments across the value chain. With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced .The industry has responded optimistically to the reform measure undertaken by the government .The practice of CSR is not new to companies in India. However, what this Act does is bring more companies into the fold. Also, it is likely that the total CSR spends will amplify.

CSR is not a recent concept in India. Ever since their inception, companies like the Tata Group, the Aditya Birla Group, to name a few, have been involved in serving the community. The fundamental objective of CSR is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being methodically incorporated by ever-increasing companies. CSR is vital for shielding the goodwill and reputation and increasing competitiveness.

Companies have focused CSR committees that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs ranges from community development to development in education, environment and healthcare etc.

CSR has gone through many phases in India. The knack of making a noteworthy difference in the society and improving the overall quality of life has

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visibly been proven by the corporates. Not one but all corporates should try and bring about a change in the existing social state in India in order to have an effectual and eternal solution to the social woes. Affiliation between companies, NGOs and the government should be facilitated so that the blend of their skills such as expertise, strategic thinking, manpower and money to commence an extensive social change will put the socioeconomic development of India on a fast track.

Review of Literature

CSR is not a novel concept. It is just the focal point that keeps on changing with the requirements of corporates and social needs **(Aupperle, 1985)**. CSR realises that corporates do not have just one but many various kinds of responsibilities, including legal or economic. As per **Baron (2001)** strategic CSR refers to CSR's attracting socially responsible people.It is indicative of self-serving behaviour by management and therefore reduces shareholders surplus. **Arora and Puranik (2004)** defines CSR as a continuous commitment of firms to remain ethical and contribute to the fiscal expansion of the country while improving the quality of life of the employees and community at large. According to **Albareda et al. (2007) and Ciliberti et al. (2008)**, businesses use numerous strategies and various management systems to address CSR issues along their supply chain.

Chaudhary and Sharma (2011) and Ances (2012) shared views regarding corporates social responsibility goes beyond profit-making and includes the welfare of stakeholders and the ecosystem within which the business operates. **Moharana (2013)** stated corporates have responsibilities towards the society that supports them through buying their products and sustenance. Ethics play a vital role in a firm's success in the long run **(Gorski et al., 2014)**. Therefore the social

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responsibility standards and ethical business activities create a confident rapport between business and its stakeholders. In an attempt to understand CSR practices **(Sharma, 2013, Dhingra and Mittal. 2014)** concerning the banking sector, shared Indian banks display interest in adopting integrated sustainability in their business models and are focus on CSR activities are still below satisfaction. CSR is a much-talked subject and has gained a decent amount of attention from corporates, government and society. The idea of "co-opt capitalism is where the societal issues matter over the individual and harmony matters over the competition **(Dhingra and Mittal, 2014; Dutt and Grewal, 2018)**, The concept of CSR was gradually understood with some different opinions covering fiscal, legal, ethical, humanitarian and societal aspects of business houses.

India witnessed the origin of banking at the end of the eighteenth-century with the "General Bank of India"(1786) and the "Bank of Hindustan" in 1870. Though these banks are now nonoperational, the oldest existing bank in India is the State Bank of India. The Reserve Bank of India" is the apex regulatory authority of the Indian banking sector **(Dhingra and Mittal, 2014; Dutt and Grewal, 2018)**. Since 1947 post-independence banks in India have evolved through four different stages:

a) Foundation stage (1950 to 1969, till nationalisation of banks)
b) Expansion stage (1970 to 1984)
c) Consolidation stage (1985 to 1991)
d) Reform stage (1992 onwards)

Recently CSR has gained discrete importance in the business world, including the banking and financial sector. A voluntary or non-voluntary attempt has been made to initiate and ensure socially responsible behaviour of the banking

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sector in a more organised way (Yeung, 2011). The Indian banking sector CSR aims to discuss fiscal enclosure, provide financial services to untapped locations, the socio-economic progress and focus on poverty eradication, medical and hygiene care. Education development in rural belts, environment protection, self-employment and economic literacy training, and organisation development.

The areas like child welfare", "community welfare Covid-19 donations", "education", "environment", "healthcare", "poverty eradication", "rural development", "women's empowerment", "protection to girl child" are the primary common key areas for CSR in Indian public and private sector banks.

The primary areas of CSR activities are slightly different in both public and private sector banks. The public sector banks mostly get involved in initiating activities for rural development, health/ hygiene, community welfare and creating financial literacy. The central private sector banks initiate activities concerning environmental concerns, women empowerment, and girls and females education. A prominent section of the bank's annual revenues supports social systems, individuals and events across diverse areas like child development, bio-sustenance, human capital development etc.

Statement of the Research Problem

No corporate entities can exist in vacuum. As business uses the resources of society, it has a responsibility to do something beneficial for the society in consideration.CSR initiatives may range from overall upliftment of the society to supporting important causes like environment, healthcare, education, etc. In a developing Nation like India, banking sector has a very significant role to play in augmenting the pace of country's economy by imposing novel practices like corporate social responsibility (CSR). In this regard, the banking sector stands at a

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commanding position in discharging the responsibility of sustainable development through CSR.

State Bank of India has been a pioneer in the space of Corporate Social Responsibility within the Indian Banking ecosystem, Social Responsibility is an integral part of its business and a key aspect of its corporate strategy since 1973. Bank has been setting aside 1% of its net profit for CSR initiatives and its CSR initiatives have made a true difference in the lives of millions from socially and economically impoverished communities.

HDFC bank is India's leading private sector bank and world's 10th largest bank by market value as of April 2021. HDFC bank is helping to transform lives of millions of Indians through its social initiatives. These initiatives come under the HDFC's "Parivartan" and they focus to contribute towards the economic and social development of the country by empowering its communities.

"Parivartan" is acting as incitation in making a difference in the lives of people through its initiatives in the areas of rural development, Education, Skill development and livelihood enhancement, Healthcare and Hygiene and financial education.

This study is to examine the corporate social responsibility initiatives in State Bank of India and HDFC Bank. The study is to be taken up to provide useful insights to other banks in taking up the corporate social responsibility, such as resource allocation and future action plan towards making a better society.

Objectives of the Study

The present study will be carried out with the following objectives:

- To understand the concept and components of CSR,

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- To study current scenario of CSR in India,
- To study the current practices and Practices undertaken by SBI and HDFC banks in the area of CSR for attaining sustainability.
- To compare CSR practices among these banks, and
- To suggest recommendations and suggestions for the identified challenges of CSR before Indian Banking Sector in general and these banks in particular.

Importance of the Study

Corporate Social Responsibility (CSR) has been emerged in the business world from the beginning of the commerce. Now, CSR is one of the most well-known concepts in the business world. On the basis of several perceptions of the CSR, different organisations have given several definitions and according to the context of locally and among the countries. In the recent years Corporate Social Responsibility (CSR) has witnessed tremendous increase in awareness and control in the global arena. CSR that emerged in 1960 was an attempt to link business with society. Corporate social responsibility (CSR) refers to strategies that Corporations or firms employ to conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development.

It is a concept where business organizations apart from their profitability and growth show interest in societal and environmental welfare by taking the responsibility of impact of their activities on stakeholders, employees, shareholders, customers, suppliers and civil society. It takes into consideration the social and environmental implications of corporate financial decisions. With the increasing need for economic development across the globe, there is demand for financial institutions to take central role in the efforts to eliminate poverty, achieve

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equitable and accountable systems of governance and ensure environmental security. In this regard, actions taken by corporate houses and regulatory authorities operating in developed nations are quite satisfactory, however in developing nations the situation of CSR activities by financial institutions is not so flourishing.

There are 27 public sector and 23 private sectors banks in India. But, CSR practices adopted by banks are not at a big level. Private sector banks are doing great job in the field of CSR. In the field of implementation of CSR practices in the banking companies, Yes bank is at the top with 25th rank. HDFC bank is at 44th rank and Axis bank is at 57th rank. Public sector banks CSR ranking is not so good out of 100 companies in the comparison of private sector banks. But, overall the public sector banks have highest contribution in CSR activities. Private sector banks and foreign banks are still lagging in this area.

Corporate social responsibility is becoming a relevant subject and it appears repeatedly in the vast majority of academic and professional journals. Most of them have dedicated a special issue to it, and an increasing number of articles have been published concerning corporate social responsibility. Some of them consider it as a new fashionable concept while some others consider it as a new management tool. There are number of dilemma about the concept of corporate social responsibilities, especially in the developing country like India, where such concepts need legal enforcement. However, a number of Indian banks have taken initiatives to implement the concept of corporate social responsibilities. The present research focuses on the CSR initiatives taken by the Indian banking industry and resulting impact on its overall performance. Against this background, it is worthwhile to analyse the initiatives of corporate social responsibility under.

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The title "Corporate Social Responsibility Initiatives: A Comparative Analysis of State Bank of India and HDFC Bank".

Hypothesis

The present study will be based on the following Hypothesis:

H_0: There is no significant difference in CSR initiative of State Bank of India and HDFC Bank.

H_1: There is significant difference in CSR initiative of State Bank of India and HDFC Bank.

Research Methodology

The nature of the study is analytical and exploratory. The study in based on secondary data. The sources are different

- Books,
- Journals and Magazines,
- Annual Reports of State Bank of India,
- Annual Reports of HDFC Bank,
- RBI Publications,
- Unpublished Theses and Dissertations,
- Economic Dailies and Newspapers,
- Websites etc.

The collected data will be analysed and interpreted with the help of suitable mathematical and statistical techniques like ratio and proportion, average, percentage, trend analysis, bar graphs, pie charts, chi-square text etc.

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Hence, this study will examine secondary data collected from recent websites, annual reports, corporate social responsibility reports and sustainability reports of State Bank of India and HDFC Bank. The CSR practices of these two bank will be highlighted and compared.

The scope of the study is limited to study the concept of CSR, current scenario of CSR in India and chiefly focuses on different CSR initiatives carried out by SBI and HDFC Bank. The study will make coverage of 5 years of time period i.e. from year 2017-18 to 2021-22.

Plan of Work

The present study will be divided into the following six chapters:

Chapter I: Introduction

The first chapter will be introductory in nature, it may contain statement of the research problem, objectives, importance, methodology, hypothesis and plan of work of the study. Further, a review of literature on CSR in Indian context will also be presented in the chapter.

Chapter II: Concept and Components of Corporate Social Responsibility

The concept of CSR was first mentioned in 1953 in the publication of "Social responsibility of businessman" by William J. Bowen. However, the term CSR become only popular in the 1990s. When the German Beta pharma generic pharmaceutical company decided to implement CSR. As the term "CSR" is used continually, many overlapping concepts, such as corporate citizenship, business ethics, stakeholder management and sustainability, have emerged. This chapter will be devoted to cover the concept, meaning and components followed by importance of corporate social responsibility.

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Chapter III: Current Scenario of CSR in India

Section 135(1) of Company Act 2013 mandates the CSR expenditure for the following companies- Every company having a) net worth of Rs. 500 crore, b) turnover of Rs. 1000 crore, c) or net profit of Rs. 500 crore (where net profit excluded income from overseas branch & dividend distributed by company on which this section apply. Current scenario of CSR in India will be studied in this chapter.

Chapter IV: CSR in Indian Banking Sector

Social Responsibility is considered as an important instrument that provide competitive advantage and improves reputation of the business concern. Many Indian banks have created their individual brand image in the field of Corporate Social Responsibility (CSR) by taking various social initiatives for social welfare and community development. It has been found that the bank are engaged in CSR activities mostly in the area of Rural Development, Education, Community Welfare, Women and Children. There is a need for better CSR activities by the banks, which is possible by asking more and more social development issues link with corporate sector. This chapter will present CSR initiatives of Indian Banking Sector.

Chapter V: CSR Practices -A Comparative Study of State Bank of India and HDFC Bank

CSR fetch a very important place in the development scenario of India today and create as an alternative tool for sustainable development. A comparative analysis of CSR initiatives of State Bank of India and HDFC Bank will be made in this chapter.

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Chapter VI: Conclusion and Suggestions

The chapter will present summary of the work and a number of recommendations and suggestions will be put forth which will be able to make better landscape of CSR in Indian Banking Sector in general and State Bank of India and HDFC Bank in Particular.

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